

SENATE BILL 3576

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 57,  
relative to sale of Tennessee wine in retail food  
stores.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 57, Chapter 3, is amended by adding the following as a new, appropriately designated section:

(a) This section shall be known and may be cited as the "Tennessee Farm Winery Law." This section shall prevail over any conflicting statutory provision.

(b) A Tennessee winery retailer license may be issued to any retail food store as provided in this section for the sale of wine as defined in § 57-3-101, upon a verified, written application to the commission on the proper form authorized to be prescribed and furnished in this section, and the application may be granted by the commission, subject to the restrictions of this chapter. Any Tennessee winery retailer license issued pursuant to this section shall authorize the holder of the license to sell wine at retail if the wine has been manufactured by a winery with a winery license issued pursuant to § 57-3-207. Such license may be issued to any retail food store located in a jurisdiction where the sale of beer has been authorized pursuant to chapter 5 of this title.

(c) For purposes of this section, "retail food store" means an establishment where food and food products, fresh produce, and meat butchered on the premises are sold and intended primarily for off-premises consumption.

(d) A Tennessee winery retailer licensed under this section shall be subject to the licensing powers, permits and fees of cities, towns, and counties under chapter 5 of this title relevant to retailers.

(e) Each applicant for a Tennessee winery retailer license issued pursuant to this section shall pay to the commission a one-time, nonrefundable fee in the amount of three hundred dollars (\$300) when the application is submitted for review. The license shall not be issued until a license fee of one hundred and fifty dollars (\$150) is paid to the commission by the retailer, but issuance of the license is exempt from the requirements of § 57-3-106. The commission shall deposit collections with the state treasurer to be earmarked for and allocated to the commission for the purpose of the administration and enforcement of the duties, powers, and functions of the commission.

(f) No Tennessee winery retailer license shall be issued except to persons who have not been convicted, and whose officers and principals have not been convicted, within a period of five (5) years preceding application of any felony or any violation of any state or federal laws relating to alcoholic beverages.

(g) Each Tennessee winery retailer licensee shall, before employing any person to dispense alcoholic beverages, secure from the commission an employee's permit authorizing such person to serve as an employee in the place of business of the retailer. It is the duty of the retailer to see that each person dispensing alcoholic beverages in the retailer's place of business has an employee's permit. The permit must be on the person of such employee or upon the premises of the licensee at all times subject to inspection by the commission or its duly authorized agent.

(h) No Tennessee winery retailer shall:

(1) Sell any alcoholic beverages to any person who is visibly intoxicated nor shall any retailer selling alcoholic beverages sell to any person accompanied by a person who is visibly intoxicated;

(2) Sell any alcoholic beverages to a person known to be a minor.

(3) Sell or give away any wine during such times as are prohibited by law for the sale of beer; or

(4) Keep or permit to be kept upon the licensed premises any alcoholic beverages in any unsealed bottles or other unsealed containers except such open bottles and containers of damaged and unmarketable product retained by the retail licensee for purpose of return to a winery licensed under § 57-3-207.

(i) A Tennessee winery retailer may sell at retail any wine from a winery licensed under § 57-3-207 and may accept deliveries for sale from any such licensed winery.

(j) The commission is empowered and authorized to promulgate such rules and regulations as may be necessary to carry out the duties of the commission as provided in this section, including, but not limited to, procedures governing the purchase, sale, and transportation of wine. The commissioner of revenue shall establish procedures governing the keeping of records for tax purposes and the payment of taxes by a Tennessee winery retailer licensed under this section; and for any failure to comply with the procedures, the commissioner shall notify the commission, which is authorized to revoke or suspend the license of any Tennessee winery retailer.

(k) If any provision of section or application of this section to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the section that can be given effect without the invalid provision or application, and to that end the provisions of this section are declared to be severable.

SECTION 2. Tennessee Code Annotated, Section 57-3-201, is amended by adding the following language as a new subdivision thereto:

(7) Tennessee winery retailer.

SECTION 3. Tennessee Code Annotated, Section 57-3-207, is amended by adding the following language as new, appropriately designated subsections:

( ) Any winery licensed under this section may contract with a Tennessee winery retailer for the sale of wine produced by that winery. Any such winery shall be allowed to transport wine produced by that winery to sell at the Tennessee winery retailer.

( ) Any winery that sells wine at a Tennessee winery retail shall be considered a wholesaler for the purposes of complying with part 3 of this chapter regarding the payment of taxes on any wine sold, and part 5 of this chapter regarding the collection of municipal inspection fees.

SECTION 4. For the purpose of promulgating rules and regulations to effectuate the purposes of this act, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect July 1, 2010, the public welfare requiring it.